



# CLEAN ENERGY FOR ALL EUROPEANS

Ivo Schmidt, 15. Dezember 2016  
Stiftung Umweltenergierecht

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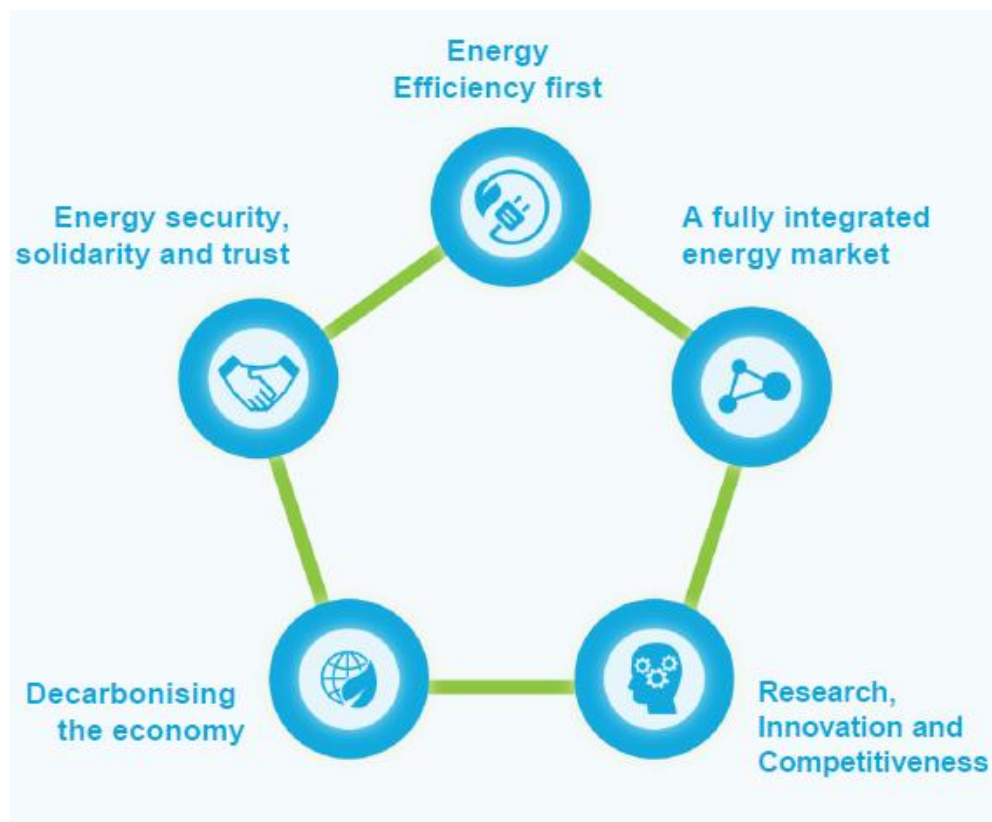
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### 5. NEW ELECTRICITY MARKET DESIGN

### SMART AND CLEAN ENERGY FOR ALL EUROPEANS – IMPLEMENTING THE ENERGY UNION STRATEGY

#### AN ENERGY UNION BASED ON 5 MUTUALLY SUPPORTIVE AND INTERLINKED DIMENSIONS



## WHY DO WE NEED A NEW LEGAL FRAMEWORK?

THE ENERGY SYSTEM OF TOMORROW WILL HAVE TO LOOK DIFFERENTLY

2030

50 % of electricity to come from renewables



2050

Electricity completely carbon free



PARIS2015  
UN CLIMATE CHANGE CONFERENCE  
COP21-CMP11

We have the most ambitious **climate commitments** in the world, thanks to the EU



With leadership comes responsibility

Unique opportunity to **modernise our economy** and to

boost competitiveness

create the growth and jobs we need

## WHY DO WE NEED A NEW LEGAL FRAMEWORK?

**We want to give a clear signal to investors that the clean energy transition is the growth sector of the future, both through:**

**adapting our regulations      and      putting on the table an enabling environment.**



**THE SMART AND CLEAN ENERGY FOR ALL Package**

## WHAT ARE OUR GOALS?

CREATING JOBS & GROWTH, BRINGING DOWN GREENHOUSE GAS EMISSIONS, SECURING ENERGY SUPPLY



Putting energy  
efficiency first



Demonstrating  
global leadership  
in renewables



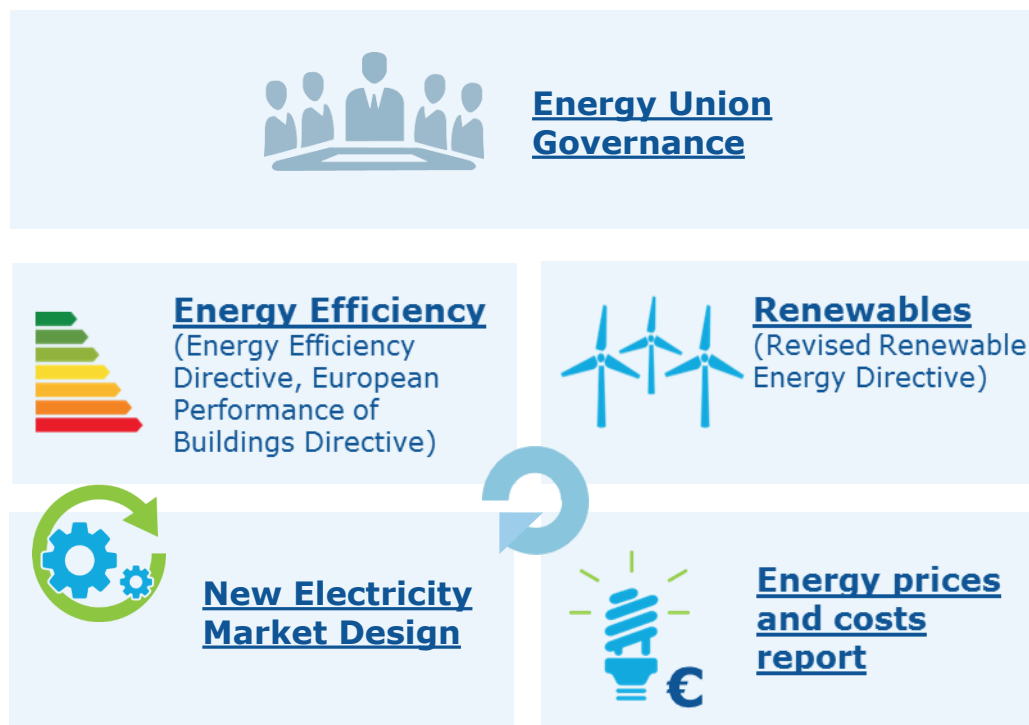
Delivering a  
fair deal for  
consumers

## HOW DO WE GET THERE?

### THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020

*" In essence the new package is about tapping our green growth potential across the board"*

*Commissioner Miguel Arias Cañete (2016)*



## WHAT CAN WE EXPECT IN TERMS OF RESULTS?

2016

2030



The package presents a **dual opportunity** to speed up **decarbonisation** and to speed up **growth and job creation**.



### Investment:

- extra 177bn EUR euros per year of investment from 2021 to meet 2030 climate & energy targets
- Crucial role for EFSI



### Economic growth\*:

- 1% increase in GDP
- 190bn EUR into the economy
- 900,000 new jobs

\*Upper end of estimates



### Decarbonisation:

- Carbon intensity of the economy 57% lower in 2030 than in 2015
- **72%** share of non-fossil fuels in electricity generation in 2030



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## WHAT NEEDS TO BE DONE?

### A ROBUST **GOVERNANCE** TO MEET 3 OBJECTIVES



**Meet Energy Union objectives (notably the 2030 targets)**



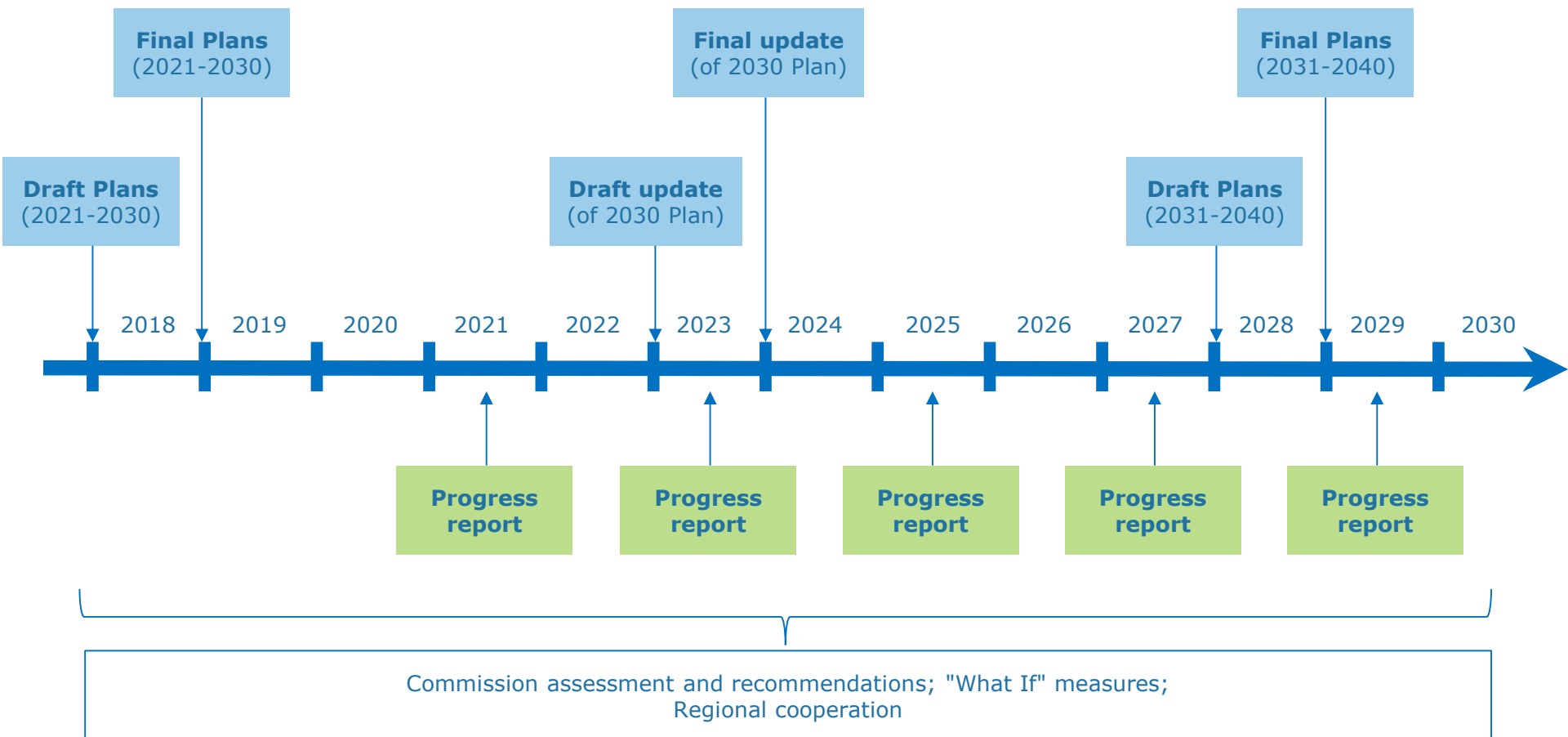
**Ensure Better Regulation and reduce administrative burden**



**Allow for investor's certainty and predictability**

# HOW DO WE GET THERE?

## TIMELINE OF THE PROCESS



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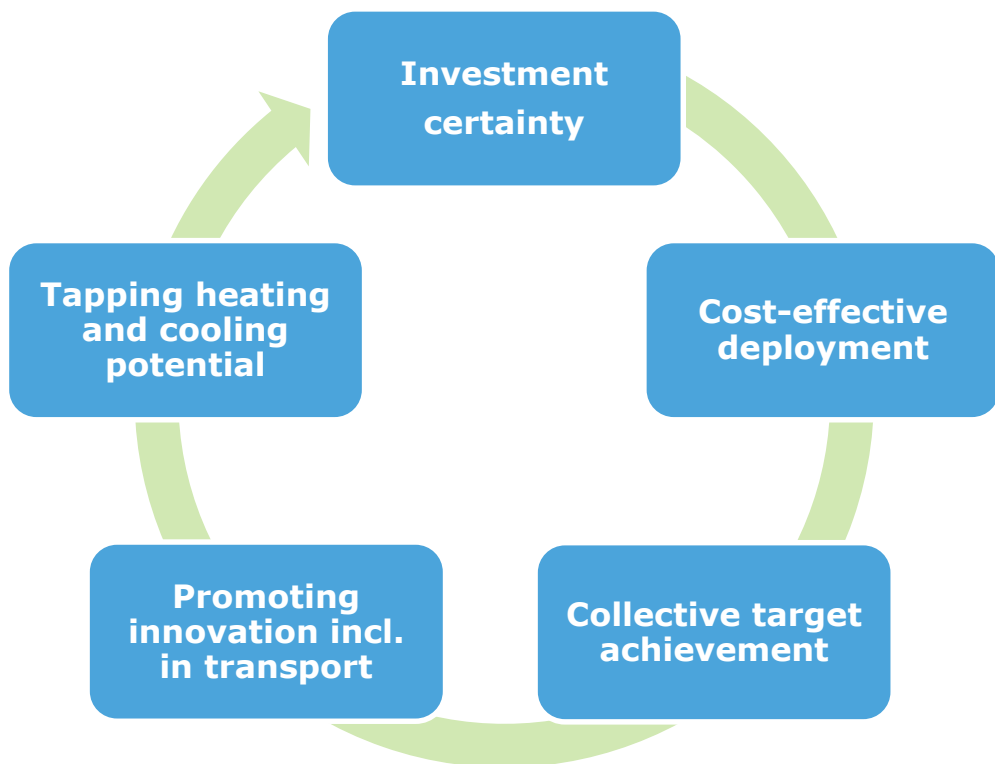
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## THE REVISED **RENEWABLES** DIRECTIVE – MAIN OBJECTIVES

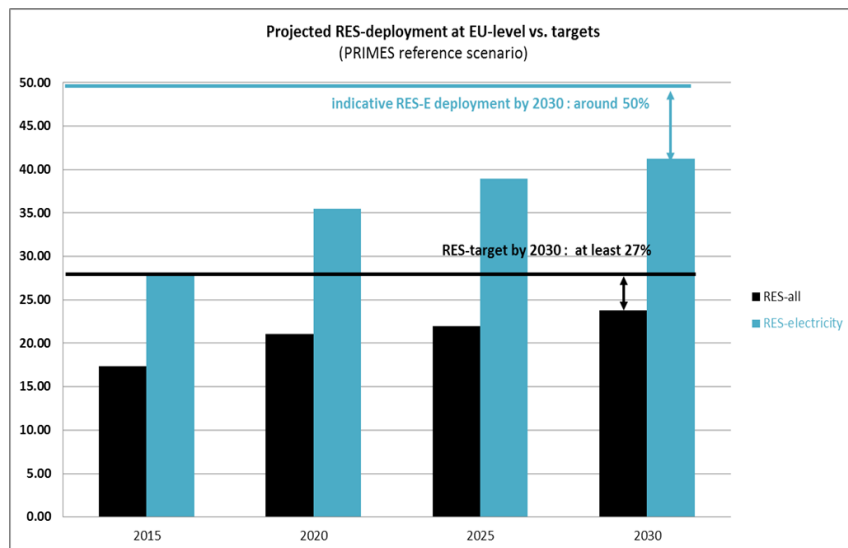


Contributing to the EU political priority of **becoming world number 1 in renewables**

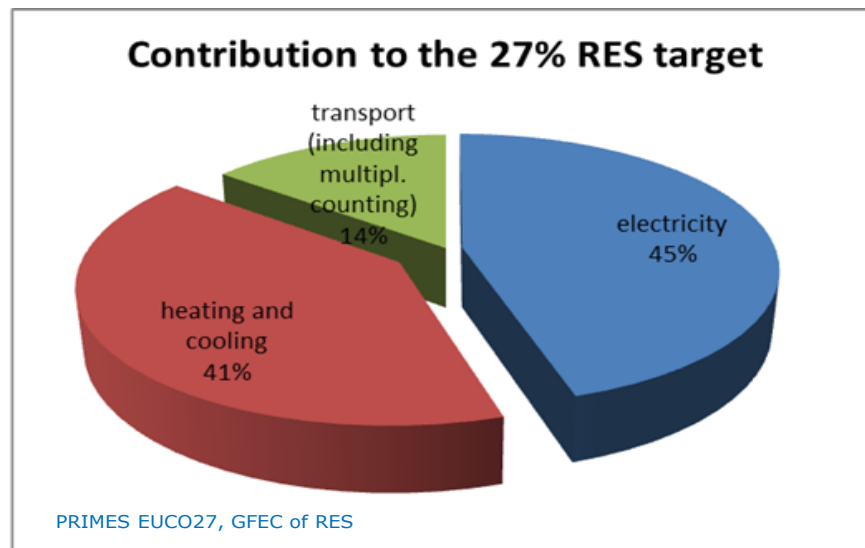
&

**Achieving the at least 27 %** EU-level binding renewables target cost-effectively

## EU LEVEL ACTION ACROSS THE 3 SECTORS IS REQUIRED



**No additional action would lead only to 24.3 % RES**, non-cost efficiently and unevenly spread across the EU



The modelling shows that for a cost-effective target achievement **both Heating & Cooling and electricity will have to cover a major part of the effort**

## A MORE EVEN DEPLOYMENT WOULD BE MORE COST-EFFECTIVE

**Investments are increasingly concentrated in a few Member States**  
with low cost of capital and policy frameworks perceived as more stable

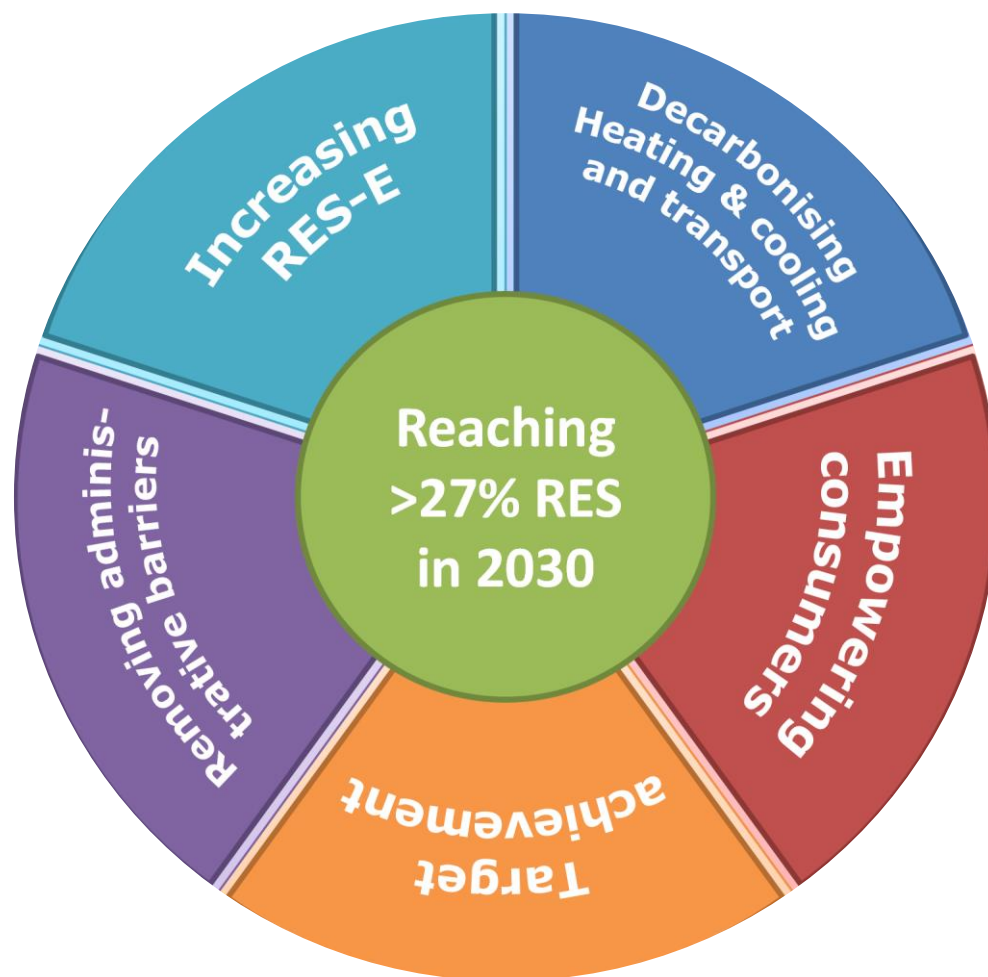
**UK and Germany alone represented over 2/3 of all investments over 2013-2015**

**Various measures can ensure a more even and more cost-effective deployment of RES across the EU**

e.g. Financial instruments tackling cost of capital, no retroactive changes, open up support schemes...

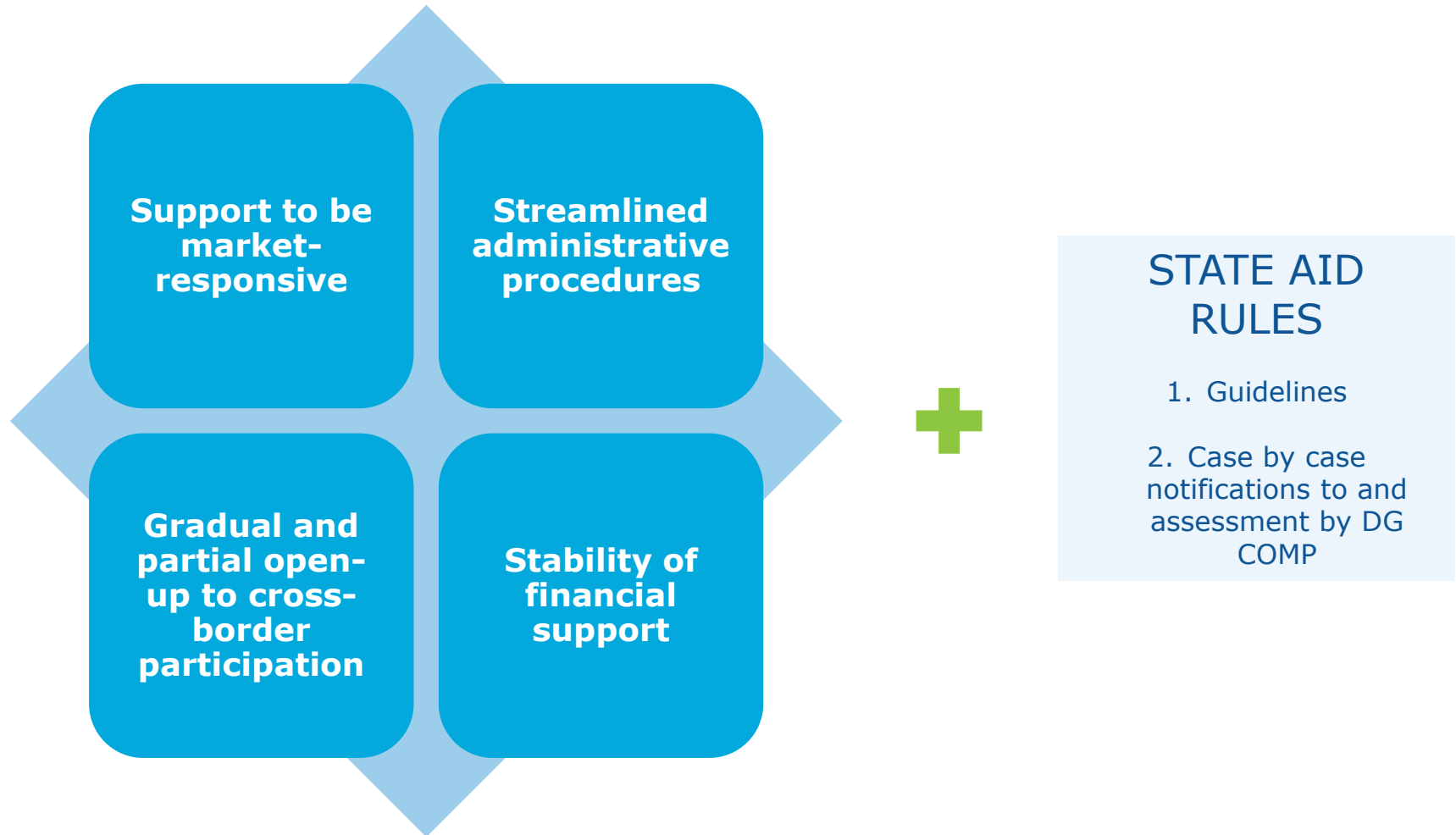
	Baseline	EUCO27
RES share in 2030	27%	27%
Assumptions	National support; diverging cost of capital	EU-wide support; same cost of capital
<b>RES investments required (2021-2030)</b>	€ 404 bn	€ 240 bn
<b>Share of top 3 MS in total investments</b>	67%	47%

## DELIVERING A SET OF WELL-BALANCED MEASURES ACROSS SECTORS

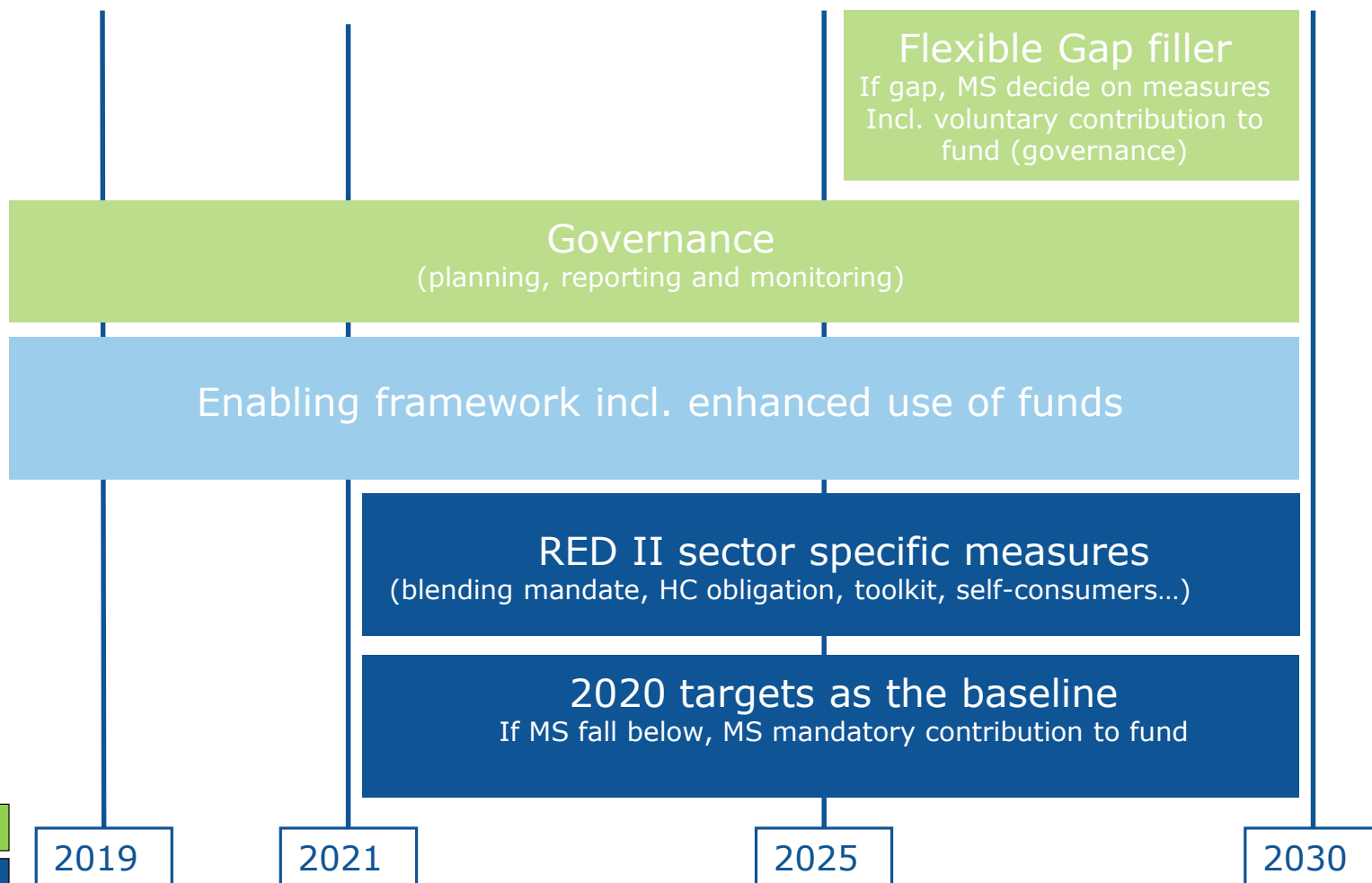




## A STABLE FRAMEWORK FOR RES-E DEVELOPMENT



## ACHIEVING AT LEAST 27 % RENEWABLES AT EU LEVEL



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## WHY?



Boost wholesale market **flexibility** and provide **clear price signals** to facilitate the continuing penetration of renewable energies and ensure investments



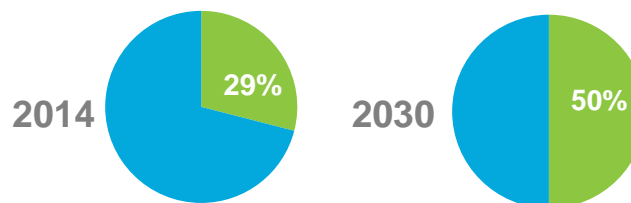
Enable **active consumer participation** and ensure that **consumers are protected and benefit** from progress in energy technologies



Promote **regional cooperation** and provide a true **European dimension to security of supply**

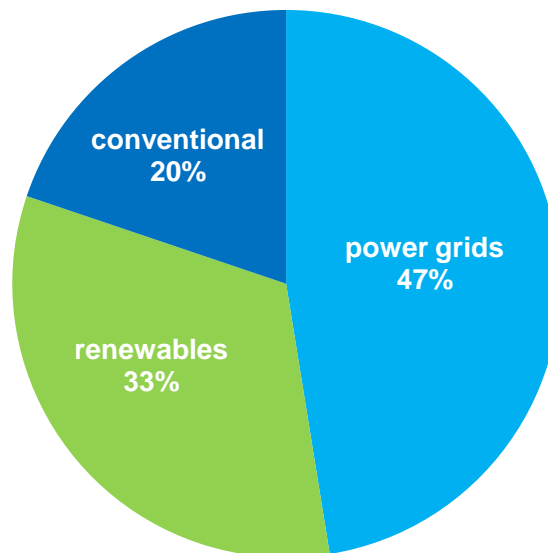
## CONTEXT

### MORE POWER COMING FROM RENEWABLES

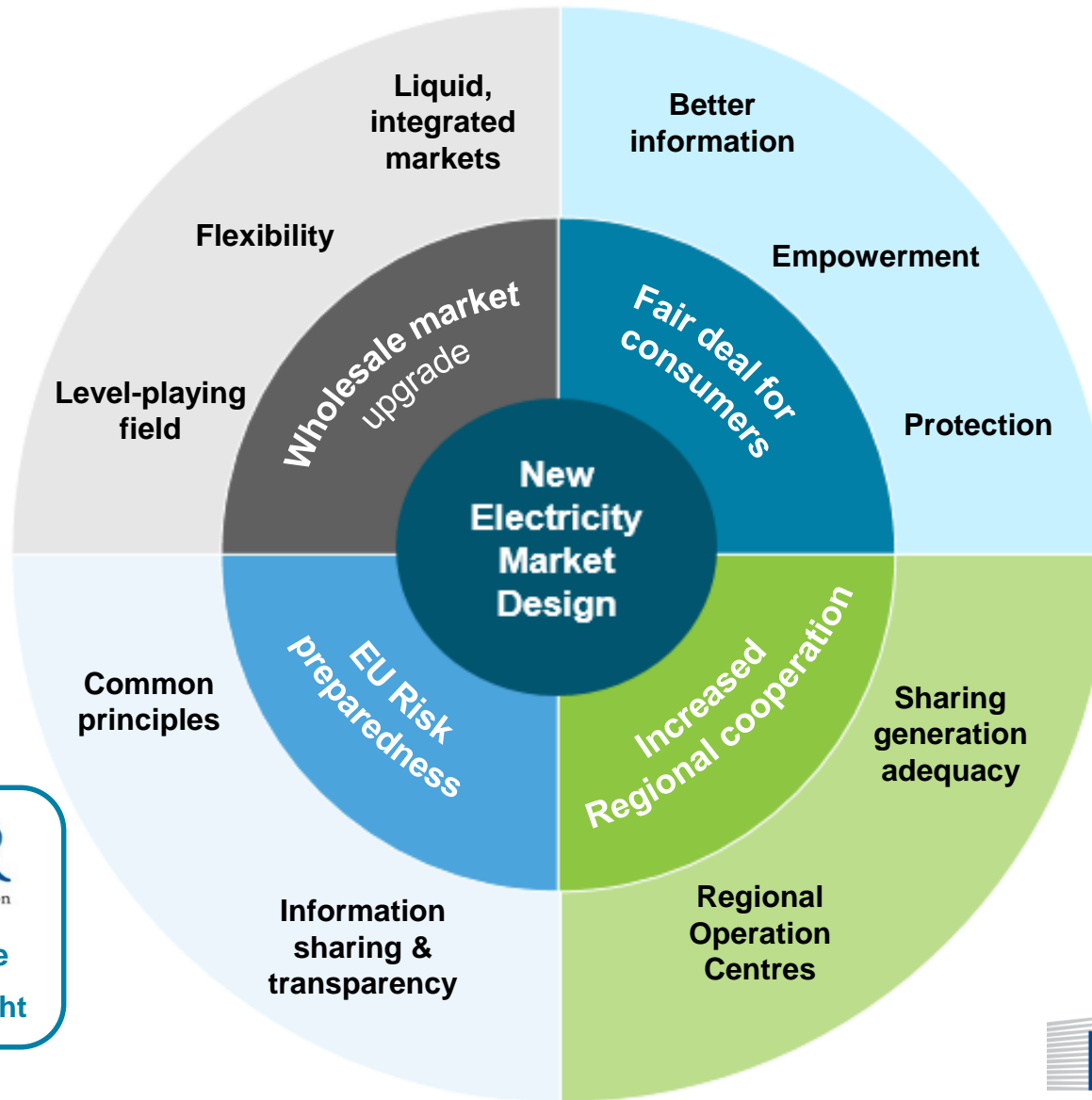


Today up to **90%** of variable renewable electricity is connected to distribution grids

### INVESTMENT NEEDS FOR POWER: €75 bn PER YEAR FOR 2021-2030



## HOW?



**ACER**

Agency for the Cooperation  
of Energy Regulators

**Stenghtened role**

**Regulatory oversight**



European  
Commission



European  
Commission

# ENERGY UNION

EnergyUnion

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EnergyUnion

European Commission  
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